

Demand Response Protocol - Scope of Work Document for IPMVP

Steve Kromer and Satish Kumar, IPMVP, Inc.

1.0 ROLE OF IPMVP

The IPMVP has been involved in establishing protocols for the past eight years. In that time we have had the opportunity to experience the joys and frustrations of bringing together disparate groups and forging consensus. Perhaps the most important lesson is that there can be no useful discussion if participants do not share a common vocabulary. In any new field there is necessarily new language to describe unique situations. However, ultimately there is nothing new under the sun. Participants are highly encouraged to maintain discipline in establishing framework terminology and maintaining a glossary of most-used terms.

The IPMVP is a document, a committee and a concept. The core concept of IPVMP is that parties involved in contracts to reduce energy use should have a common language with which to structure and manage the settlement of those contracts. The IPMVP was designed to allow parties flexibility in designing M&V procedures that make sense for each contract.

2.0 DEVELOPMENT OF DEMAND RESPONSE PROTOCOL

Based on the comments received from DR reviewers and the response of the IPMVP technical committee we recommend continued effort towards an IPMVP DR protocol.

The original contract between the CEC, Xenergy and IPMVP envisioned a three-step process. Xenergy was to propose a draft protocol for review, including a workshop. Based on feedback from the workshop and reviewers, Xenergy would submit a final protocol to the IPMVP Executive Committee for potential adoption.

The draft report required more resources than originally expected and, coupled with the unexpected addition of the IPMVP Technical Committee review, it is not now clear that CEC/Xenergy will be able to muster the resources to take the project through the final report phase.

Given the strong technical review of the CEC draft report and broad agreement for an IPMVP DR protocol, the IPMVP has a clear opportunity to contribute to the industry by taking this effort to completion. There remains the question of where to find the resources and how to prioritize this effort in comparison to other initiatives. What follows is the IPMVP-DR team's suggested approach.

2.1 SUGGESTED APPROACH

Developing a DR protocol would require people with different set of skills and experience in running and evaluating DR programs. As a first step to developing a national protocol, it is proposed that an IPMVP DR subcommittee will be constituted consisting of DR experts that would build on the work already performed by Xenergy. In order to maintain continuity, IPMVP will request the continued involvement of Xenergy in any future work on DR. It is recommended that the following organizations should also be involved when the IPMVP DR subcommittee is formed: .

- Different ISOs (California, New York, PJM, Midwest)
- A selection of Utilities from around the country with experience in administering DR programs
- Organizations/individuals representing customers who will participate in the DR programs
- Consultants who have evaluated DR programs over the last few years

IPMVP, Inc. will develop the protocol and will be responsible for updating and maintaining the document. The deadline for completing the work (electronic availability of the DR protocol on the IPMVP web site) will be May 15, 2003. The first step of the DR Subcommittee would be to develop a plan for completing the DR Protocol. The Technical Committee will oversee the work of the DR subcommittee and deliver a protocol per the project schedule. The EC will provide final approval for publication.

Based on the feedback received from reviewers and the guidance received from the IPMVP Technical Committee, the IPMVP DR subcommittee is requested to address the following topics among other issues that it may identify:

- Leverage the analysis performed by Xenergy for CEC but try to limit the main protocol document to around 15 pages with supporting analyses contained in appendices.
- Prefer methods that provide simplicity, flexibility, and ease of use and at the same time be technically rigorous.
- Test any methods not considered by Xenergy.

Conclusion

- Make sure that datasets that are used for testing various methods should capture the variances that will be encountered by a national DR protocol.

2.2 POTENTIAL SPONSORS

The IPMVP envisions continuing the work done so far on the development of the DR protocol utilizing funds from different users. so far. The funds of the order of \$100,000-\$150,000 will be used to constitute the DR subcommittee, paying for the time of consultants, paying the lead individual/organization responsible for writing the protocol with input from members of the subcommittee, and to cover for IPMVP staff time. Since a national DR protocol can benefit multiple organizations, multiple sponsors should be targeted to fund this initiative. A few potential sponsors of this new initiative are listed below:

- ISOs (CA, NY, PJM, New England, Mid-West, ERCOT)
- Utilities with ongoing DR programs
- National American Energy Standards Board
- Department of Energy
- State Energy Organizations (ASSERTI, CEC, NYSERDA)

Furthermore, IPMVP can do more to identify and foster partnerships with other energy-related associations and standards bodies. The DR protocol can be used as a marketing tool to prove that IPMVP can quickly respond to industry needs.

3.0 CONCLUSION

The invited review of the draft DR protocol returned a two-part verdict. First, reviews agreed that the report substantiates the need and practicality of a national standard for DR programs. Second, the reviewers raised sufficient substantive concerns and issues to preclude a rapid adoption of the CEC/Xenergy draft. We see a direct parallel in the current Demand Reduction area to what was occurring in the world of M&V eight years ago. IPMVP Technical Committee found the CEC/Xenergy draft protocol to be a sound draft from which to create an IPMVP DR protocol.